

**GOVERNMENT OF INDIA
COMMUNICATIONS
LOK SABHA**

UNSTARRED QUESTION NO:3363
ANSWERED ON:14.08.2000
REDUCTION IN ACCOUNTING RATES
T.M. SELVAGANAPATHI

Will the Minister of COMMUNICATIONS be pleased to state:

- (a) whether the Government had given a commitment to the International Telecommunications Union (ITU) to reduce accounting rate to 69 cents per minute by the end of 2001;
- (b) if so, whether the Government propose to reduce VSNL's accounting rate with U.S. carriers to 85 cents from the current level of U.S. Dollar 1.08 w.e.f. April 1, 2000;
- (c) if so, the details thereof;
- (d) whether India has recently been under intense pressure from the leading US telecom companies to reduce accounting rates between the US and India;
- (e) if so, the details thereof;
- (f) whether as per the order of the Federal Communications Commission in 1998, the accounting rate for India would come down to only 23 cents by the end of 2002; and
- (g) if so, the steps taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS (SHRI TAPAN SIKDAR)

(a) to (c): As an association of member countries, ITU takes up from time to time discussion on topics of mutual interest including international accounting rate issue. Deliberations relating to accounting rate have not yet taken a final shape. In any case, recommendations of ITU are in the nature of guidelines, which member countries may follow at their discretion. India, as a member country, has not given any commitment regarding reduction in Total Accounting Rate at any international forum.

(d) to (g): U.S. international traffic carriers have generally been putting pressure on their Indian counterpart, viz., VSNL for reduction of international accounting rate. But, it may be noted that order issued by the Federal Communications Commissions, USA, which inter alia, stipulate the settlement rate for international traffic, is applicable to US telecom companies and not to the Indian operator, VSNL. Decisions regarding accounting/ settlement rate are taken bilaterally between the Indian operator and its international counterparts and Government of India does not have a role to play in this.